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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Report of the Trade and Development Board on its sixth executive session

held at the Palais des Nations, Geneva,
on 13 and 14 September 1994

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ANNEXES

Annex

I. Agenda for the sixth executive session of the Trade and Development Board

II. Membership and attendance

I. INTRODUCTION

1. The sixth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 13 and 14 September 1994. The executive session consisted of one meeting - the 844th plenary meeting of the Board - which was suspended on 13 September to allow for an informal meeting to be held on agenda item 2 (Policy review of technical cooperation in UNCTAD) and was resumed on 14 September to complete the work of the session. The agenda of the sixth executive session is reproduced in annex I below.

II. POLICY REVIEW OF TECHNICAL COOPERATION IN UNCTAD

(Agenda item 2)

2. For its consideration of this agenda item, the Board had before it the following document:

> "Implementation of the recommendations contained in the report by independent consultants" - note by the secretariat of UNCTAD (TD/B/EX(6)/CRP.1).

The following document was also available in connection with this item:

> "Policy review of technical cooperation" - note by the Secretary-General of UNCTAD (TD/B/40(2)/14).

3. The President observed that, as states in the report by the independent consultants (TD/B/40(2)/14), developing countries and countries in transition benefited directly from the operational work of UNCTAD, which had immediate relevance around the world. Donors likewise appreciated this work, judging by the growing contributions for programmes and projects. However, all were agreed that the technical cooperation must be carried out with as much efficiency and effectiveness as possible. According to the consultants, UNCTAD'S record in this regard was commendable, but they had also made a number of interesting and practical suggestions for further strengthening technical cooperation. Some of their recommendations could be acted upon by the secretariat, in the light of the outcome of the current review. Others called for deliberation, decision and follow-up by member States. The areas on which the Board should focus its attention were well summarized in the final chapter of the consultants' report dealing with conclusions and recommendations.

4. The representative of India said that the policy review of UNCTAD's technical cooperation was opportune because there had been a number of far-reaching developments in the international trade scene which had a bearing on the future role and work of organizations that focused on international trade and development. Commenting on a number of recommendations in the consultants' report, he said that the budget distribution and allocation of UNCTAD between its various divisions should allow the organization to continue with all its mainstream functions. Technical cooperation should continue to be one of the items and should not become a dominating charge on the UNCTAD budget at the expense of the other useful work which the secretariat was doing. Therefore, UNCTAD's technical cooperation activities should continue, as at present, to be substantially supported by extrabudgetary funds from UNDP and other donors. The report indicated that UNDP was eager to engage in a policy dialogue with UNCTAD: this dialogue should be put on a continuous footing. The secretariat should share with the member States the specific proposals it would like to pursue with UNDP. Support should be given also to the proposal for the setting up of a General Trust Fund if this led to additional mobilization of resources and greater efficiency.

5. With regard to the objectives of UNCTAD's technical cooperation, priority should be given to assistance for (a) strengthening negotiating capacities, (b) human resource development, and (c) improving systems and procedures. The

suggestion in paragraph 118 of the report that UNCTAD should develop a more comprehensive approach to training was a useful one. The proposal to have a training focal point within UNCTAD which could take the form of a trade development institute should be pursued. The secretariat could prepare a detailed proposal, including funding requirements, for consideration by the member States.

6. Regarding transparency, he agreed with the view expressed in the report (para. 130) that a more comprehensive reporting was required by the secretariat on the technical cooperation programmes. A comprehensive report on this could be furnished each year to the Working Party on the Medium-term Plan and the Programme Budget and thereafter circulated to the member States.

7. The representative of Switzerland said that the Swiss authorities welcomed the process started with the publication of the consultants' report. Some aspects had given rise to a few concerns, but he expressed satisfaction that the first steps had been taken to implement recommendations aimed at enhancing transparency and overall administrative efficiency and for the openness in which this important exercise was being carried out. Openness, as a precondition for achieving transparency, could not be measured only in terms of reports published; it was also part of a process of exchange of information. A decision that the Board include a review of technical cooperation on its agenda, as outlined in paragraph 5 of TD/B/EX(6)/CRP.1, would greatly enhance the flow of information and thus contribute to improved transparency.

8. The Swiss authorities also shared the findings of the report that the allocation of overhead funds was not clearly established and certainly not transparent, and commended the secretariat for having begun the process of implementing paragraph 139 of the report.

9. Another point that had caused concern to the Swiss Authorities was the slow pace in the execution of the political priorities set by member States. Including technical cooperation in the Board's agenda could improve the priority setting and thus the overall efficiency of UNCTAD's technical cooperation, ensuring that it would be "demand driven" rather than "supply driven".

10. The Swiss Authorities were pleased to note the intention of UNCTAD to engage in a systematic and regular policy dialogue with UNDP. They would also welcome efforts to strengthen and streamline cooperation with other relevant international organizations and especially ITC, the World Trade Organization (WTO) and the Bretton Woods institutions, taking care to avoid duplication and overlapping.

11. On the question of a General Trust Fund, the Swiss authorities remained reluctant, but this would not preclude discussing ways of finding more predictable arrangements. They could envisage contributing to a General Trust Fund, as long as such a Fund could be married with their current project-by-project approach.

12. With regard to the proposal to establish a "self-supporting autonomous non-profit-making institution" - or "consultancy firm" - Switzerland found it worth taking up and would be ready to contribute to the feasibility study. As this proposal involved delicate legal questions, such a study should be conducted in

as transparent a manner as possible. It might prove useful to hold consultations to discuss the terms of reference for such a study. Regarding Human resource development (HRD), a small HRD unit would be sufficient to guide the secretariat in taking a more cohesive approach to all the various training activities that UNCTAD was engaged in.

13. The Executive Director of the International Trade Centre UNCTAD/GATT said that in his recent overall internal review of ITC, he had given serious consideration to the recommendations made by the consultants in their report, bearing in mind the respective mandates of ITC and UNCTAD. The preliminary results of this review would be shared with the parent bodies and the final proposal would be submitted to the twenty-seventh session of the Joint Advisory Group, (21 to 25 November 1994). This internal review, which included a preliminary assessment of ITC's relationship with UNCTAD (and also GATT) would enable ITC to proceed with a more in-depth analysis of its relationship with parent bodies, and to make more specific recommendations in the months ahead.

14. The representative of Pakistan said that the consultants' report had made a very useful contribution to the consideration of technical cooperation. Care should be taken, however, to ensure that implementation of the recommendations of the report did not disturb the existing balance of the mandate of UNCTAD as laid down in the Cartagena Commitment. UNCTAD's substantive divisions should continue to provide technical assistance, and the technical cooperation Unit of UNCTAD should be strengthened further. There should be no duplication of work, especially with the work of ITC. Finally, he said that, if a trade and development institute were to be established, it should be located in a developing country, so as to be more cost effective.

15. The representative of China expressed his delegation's appreciation for the report by the independent consultants on what was, in his view, one of the most important aspects of UNCTAD's work. He had noted the comments and recommendations made by the secretariat and the positive reactions shown by delegations. The recommendations set forth in the consultants' report were sound and the Chinese delegation was on the whole in agreement with them. UNCTAD's comparative advantage, which was referred to in paragraph 52 of the report, was a concept that should be maintained and put to good use. In the international trading system that was now emerging, UNCTAD had a distinct role to play in heightening the developing countries' awareness of the new possibilities and in helping them to participate fully in the system.

16. Paragraph 97 of the consultants' report highlighted the differences in the technical cooperation activities of UNCTAD and ITC, with UNCTAD focusing on policy activities at the national level rather than cooperation at the enterprise level. It was important to ensure that the contents of UNCTAD's technical cooperation activities should continue to be closely related to the policy area of its work.

17. He felt that the proper coordination of technical cooperation activities within the secretariat was essential, especially with the integration into UNCTAD of the former United Nations Centres on Transnational Corporations and on Science and Technology for Development. The establishment of the World Trade Organization meant that cooperation between UNCTAD and other international organizations would become still more important in the effort to secure effective

results. His delegation hoped that UNCTAD would continue to consolidate the development of its technical cooperation work and that it would, moreover, maintain close contact with Geneva-based delegations and with the national focal point administrations of member States in order to ensure good organization of the cooperation activities.

18. The representative of Peru said that emphasis should be place on closer collaboration between UNCTAD and the governments, as was rightly suggested in paragraph 130 of the consultants' report, and a greater participation of the intergovernmental organizations through the presentation of annual reports on technical cooperation. Referring to paragraph 210 of the report on technical cooperation submitted to the Working Party of in 1992, covering the years 1989-1991, he observed that the suggestion for the possible establishment of a database on technical cooperation, which would include information on the follow-up and the implementation of project results, had so far not been translated into action. Regarding the original impetus for granting technical cooperation - i.e. whether it was "demand driven" or "supply driven" his delegation believed that demand from countries should be the guiding consideration. UNCTAD should provide technical cooperation, in line with the requests of countries, on the basis of comparative advantages and complementarity with other organizations, particularly GATT and ITC. UNCTAD should also keep a catalogue giving a precise framework for its technical co-operation.

19. Finally, he considered that the establishment of a Trust Fund would be a very good idea provided that major donors wished to participate. The Fund would allow the UNCTAD secretariat greater room for manoeuvre. The establishment of a Trade and Development Institute would also be of great value, particularly as regards the conception and preparation of computer programmes which had helped in many instances in direct negotiations. Favourable consideration should be given to the establishment of a consultative service, which should be small and not involve any additional cost or staff.

20. The spokesman for the European Union (Germany) paid tribute to the authors of the consultants' report, which contained good suggestions. UNCTAD had performed well so far, and the EU agreed that, while remaining a small agency, it could play a vital and unique role by filling selected and strategic technical cooperation niches. The secretariat's proposals in TD/B/EX(6)/CRP.1 were largely pertinent and were appreciated. UNCTAD's technical cooperation should be based on the needs of countries within a policy dialogue with donors. Consequently, the Trade and Development Board should exert a closer control on UNCTAD's technical cooperations activities.

21 The various areas identified in the report should be pursued, in consultation with ITC and WTO. Human resource development programmes were particularly important and should be allocated appropriate resources. Africa and the LDCs should receive particular attention. The EU welcomed the prudent approach of the secretariat towards the setting up of a consultancy company. As regards training, no new institute should be set up and a structured training unit should be funded predominantly by donors and institutions. Moreover, a decision at this stage on the establishment of a General Trust Fund would be premature. Finally, he pointed out that, since much of the technical assistance was a by-product of UNCTAD's work in policy analysis and discussion, to increase

the secretariat's capability in this area, while desirable, might prove difficult.

22. The representative of Norway associated his delegation with the EU statement. Norway shared the positive assessment of UNCTAD's technical cooperation activities made in the consultants' report, as was reflected in Norway's considerable contribution to such activities. However, technical cooperation, although important, was not the sole activity of UNCTAD. The mutual enrichment between analysis and intergovernmental deliberations, on the one hand, and technical cooperation on the other, should be stressed. On reporting and transparency, Norway favoured a general debate in the Board on technical cooperation, but not a detailed discussion. Similarly, an annual report on the subject would be useful, but it should not be too exhaustive.

23. Resource mobilization efforts were essential. There was some merit in the idea of establishing of a General Trust Fund, but this should not deprive donors of their right to earmark their contributions. Unnecessary duplication should be avoided and UNCTAD, like other organizations, should concentrate on areas where it had comparative advantage. UNCTAD's work on trade and the environment, for instance, was particularly useful. Closer collaboration and further clarification of the division of labour with WTO, ITC and other organizations would be desirable.

24. Referring to the division of responsibilities in technical cooperation, the representative of Sweden said that trade promotion in general should primarily be dealt with by ITC, whereas UNCTAD's activities in should be selective and strategic and related to the normative work of the organization. Such an approach was consistent with both the Cartagena Commitment and the consultants' report. Technical cooperation within the United Nations system should be coordinated in order to avoid duplication. With respect to the idea of a General Trust Fund, his delegation favoured a prudent approach and was not ready to commit itself. The same prudence should be exercised with regard to the proposal to establish a Trade and Development Institute.

25. The representative of Bangladesh appreciated the assurance given by the secretariat that there would be no shift in the balance of work of UNCTAD between technical cooperation and other areas. He also supported the view that technical assistance should be "demand related" and not "supply driven" and that more resources should be spent at the country level rather than in Geneva. Regarding the General Trust Fund, he felt that such mechanism would have the advantage that funds are channelled to it would be free and allocation could be made on the basis of free choice and could be used more effectively. This was more appropriate than a project-by-project approach, particularly at a time when the overall aid level was declining. As for the proposal to establish a Trade Institute, he argued that such an institute, if it were set up at all, should be located up in a developing country, which would reduce the running costs.

26. The representative of Hungary, referring to paragraph 5 of the secretariat paper calling for suggestions on what might be included in the reports prepared by the secretariat, said that, in line with paragraph 139 of the consultants' report on allocation of overhead charges, it would be desirable to receive information on the current situation as well as on the existing commitments and on proposals for future implementation. Regarding the proposal for the

establishment of a General Trust Fund, he felt that the experience of the Trust Fund on Transnational Corporations, as well as that of UNIDO, should be taken into account. Finally, he emphasized the importance of priority setting as outlined in paragraph 115 of the report.

27. The representative of the Russian Federation supported the main recommendations of the consultants' report and appreciated the content and speed of the secretariat's reaction to them. UNCTAD's technical assistance was particularly needed in the post-Uruguay Round period, when many developing countries, as well as the countries in transition, had to adapt to new conditions. UNCTAD had an increasingly important role to play as a serious international body concerned with trade and development, including the role of negotiation. The distribution of tasks and coordination between UNCTAD, WTO, ITC and the Bretton Woods institutions would be addressed by the General Assembly, and he hoped to see positive results in the form of recommendations and guidelines for such coordination on the basis of mutual complementarity. Coordination of the work in support of the export potential of small and medium enterprises by UNCTAD and ITC would be welcome. Increased support from UNDP should be sought, and the dialogue with UNDP should reflect the link between human development and trade and development.

28. Finally, he said that a number of issues raised in the consultants' report and in the secretariat note called for further serious consideration, including the interesting proposals on the Trust Fund and on the Trade and Development Institute.

Action by the Board

29. At the resumed 844th meeting, on 14 September 1994, the Board took note of the oral report made by Mr. I. Kinnas (Greece), Vice-President, on the informal meeting which he had chaired on this item. Acting on the recommendation of the informal meeting, the Board adopted the following decision:

> The Trade and Development Board, at its sixth executive session, decides that the policy review of technical cooperation in UNCTAD, in the context of paragraph 68 of the Cartagena Commitment, will be included as an item on the agenda of the first part of the forty-first session of the board and that this item will be allocated to Sessional Committee II.

III. STATUS OF THE EUROPEAN COMMUNITY IN THE SPECIAL COMMITTEE ON PREFERENCES

(Agenda item 3)

30. The following documents were made available to the Board for its consideration of this item:

"Status of the European Community in the Special Committee on Preferences" - explanatory memorandum of the Presidency of the European Union (TD/B/40(2)/22)

"Communication from the Chairman of the Group of 77" (TD/B/40(2)/CRP.3).

31. Reporting on the consultations which he had been conducting on this item in recent months, the President recalled that, at the monthly consultations of the Officer-in-Charge of UNCTAD, held on 8 July 1994, he had stated that the first round of his consultations had been inconclusive. Further informal contacts had shown that, although the parties were interested in reaching an agreement on this matter, his consultations remained inconclusive. Some members of the Board had asked for further clarification on a number of points. One such point of clarification related to whether the European Community was seeking the same statues in the Special Committee on Preferences as that which it already enjoyed in the Intergovernmental Group of Experts on Restrictive Business Practices. Another point related to the status which the European Community enjoyed in other international organizations. Consequently, he was of the view that further consultations were necessary in order to reach a complete understanding on this subject. He proposed that the results of such consultations of the Officer-in-Charge of UNCTAD.

32. The spokesman for the European Union (Germany) , speaking also on behalf of the European Community and the representative of the Commission of the European Communities, thanked the President for his various and intensive efforts to bring the consultations to a successful conclusion. He well understood the reasons why agreement had not yet been reached.

33. Responding to the two questions referred to by the President, he stated first that the European Community was indeed seeking a status in the Special Committee on Preferences which would be similar to the status it held already in the Intergovernmental Group of Experts on Restrictive Business Practices. Indeed, even more than in the field of competition and restrictive business practices, the European Community held a competence of its own in the sphere of customs duties and preferences. Therefore, the Community should have the right to speak as well as the member States, but without the right to vote. That was all that the Community was seeking and, in response to the second question, he stated that the European Community did not aim to have in the UNCTAD intergovernmental bodies a status comparable to the one it had in other international organizations, where the Community as such was a full member. Thus, the Community considered that its request was a very modest one. The spokesman for the European Union and the representative of the Commission stood ready to provide further information and clarification to assist the consultations of the President. Finally, he said that he could agree to the proposal that the outcome of further consultations be reported to a forthcoming

monthly consultations of the Officer-in-Charge of UNCTAD on the understanding that thereafter the matter would be referred to the Board itself for a formal decision, if it was clear that a satisfactory outcome could be reached.

Action by the Board

34. At the resumed 844th meeting, on 14 September 1994, the Trade and Development Board took note that further informal consideration of this issue was necessary and mandated the President of the fortieth session of the Board to continue his consultations and to report on the outcome to the next monthly consultations of the officer-in-Charge of UNCTAD.

IV. DRAFT TERMS OF REFERENCE OF THE WORKING PARTY ON THE MEDIUM-TERM PLAN AND THE PROGRAMME BUDGET

(Agenda item 4)

35. For its consideration of this item, the Board had before it the following document:

"Draft resolution on the terms of reference of the Working Party on the Medium-term Plan and the Programme Budget" (TD/B/EX(6)/L.1).

36. Opening the discussion on this item, the Officer-in-Charge of UNCTAD drew attention to the text of a communication which he had received from United Nations Headquarters in New York. The text had been agreed by the Under Secretary-General for Administration and Management and the Under Secretary-General for Legal Affairs, the Legal Counsel. It therefore represented the views of the United Nations Secretariat on the proposed terms of reference for the Working Party. As agreed by the two Under Secretaries-General, he read out the text which, after some introductory paragraphs, was as follows:

> The authority of the Secretary-General of the United Nations is enshrined in Article 97 of the United Nations Charter, which provides that he shall be the Chief Administrative Officer of the United Nations. In this capacity the Secretary-General prepares and submits to the General Assembly the programme budget of the Organization.
>
> Article 17 of the United Nations Charter states that the General Assembly shall approve the budget.
>
> As set out in the Legal Opinion of 24 May 1993 (TD/B/WP/INF.27), UNCTAD was established as an organ of the General Assembly under resolution 1995 (XIX). The same resolution established as "a permanent organ of the Conference, the Trade and Development Board", charged with the responsibility of "keeping under review and taking appropriate action within its competence for the implementation of the recommendations, declarations, resolutions and other decisions of the Conference and for ensuring continuity of its work". Furthermore, the Board was directed to "establish such subsidiary organs as may be necessary to the effective discharge of its functions".
>
> In recognition of the special role of the Trade and Development Board, as a permanent subsidiary body reporting to the General Assembly, the Board, through its Working party, may review the programme budget of UNCTAD. However, this has to be done in a manner which does not infringe on the authority of the Secretary-General under Article 97 of the United Nations Charter.
>
> In this light, the Secretary-General of UNCTAD may consult the Working Party on the programmatic aspects of the budget prior to formulating the budget proposal for UNCTAD and take into account the Working Party's views when actually formulating the budget proposal

for the review of the United Nations Secretary-General. Article 2 (b) (iii) of the draft terms of reference requires submission to the Working party of information in the form of a "cover note stating the changes made in the UNCTAD sections of the proposed programme budget in relation to the Secretary-General of UNCTAD's submission to the Secretary-General of the United Nations." However, to the extent that such a note would pertain to privileged communications between the United Nations Secretary-General and his representative in UNCTAD, it would not be possible to disclose the information requested without infringing on that privilege.

Once the United Nations Secretary-General has finalized his proposals for the programme budget to be submitted to the General Assembly, the Working Party would receive the same information provided to CPC and ACABQ, as stated in the Legal Opinion of 24 May 1994. At that stage, it would be for the Trade and Development Board to transmit to the intergovernmental and expert machinery in New York i.e CPC and ACABQ, respectively - any views and comments on the United Nations Secretary-General's programme budget covering UNCTAD submitted to it by its Working party.

37. The representative of the United Kingdom of Great Britain and Northern Ireland said that the main point of concern in New York appeared to be the latter part of article 2 (b) (iii). But it was also his impression that New York was simply clarifying its position on this particular article and that it was not necessarily signifying its rejection of the provision in question.

38. He recalled that members of the Working Party had worked long and hard to reach agreement on the draft terms of reference. It was his understanding from recent informal consultations between members of the Working Party and members of ACABQ that, provided it was clear that the Working Party simply wished to have an opportunity to see and comment on budget and medium-term plan amendment proposals, it was within the prerogative of the Officer-in-Charge of UNCTAD to accept or reject the comments of the Working Party.

39. There now appeared to be two possible ways to proceed with the draft terms of reference: either the Board could decide to forward them to New York in order seek further comments or the Board could endorse the draft terms of reference. His own preference would be to send the draft terms of reference to New York to seek comments on them and thereafter to refer them to the Working Party in order to consider whether there was any need for further amendment.

40. The Officer-in-Charge of UNCTAD said that it was the understanding of the secretariat that the import of the reference to article 2 (b) (iii) was that the secretariat would not be at liberty to disclose the information that was requested in that paragraph because, according to the text he had read out, that would be an infringement of the privileged nature of the communications between the United Nations Secretary-General and his staff. Thus the approval of article 2 (b) (iii) would mean that the Secretary-General of UNCTAD would be called upon to provide information which he was not at liberty to provide on the instructions of the Secretary-General of the United Nations. On the question of whether this fact superseded any further consultations, he pointed out that the text represented the view of the United Nations Secretariat but not necessarily that

of the intergovernmental expert bodies which had a role in the budgetary and programme process, in particular ACABQ. Therefore, although the communication concluded the process of consultation with the United Nations Headquarters, it did not necessarily prejudice further consultations with intergovernmental and expert bodies in New York.

41. He pointed out that the communication confirmed that the Secretary-General of UNCTAD could consult the Working Party on the programmatic aspects of the budget prior to formulating the budget proposals. His understanding was that figures in the budget would be made available only once they had been finalized by the Secretary-General of the United Nations and submitted to ACABQ and the Fifth Committee.

42. The representative of the United States of America noted from the communication read out by the Officer-in-Charge of UNCTAD that article 2 (a) (ii) of the draft terms of reference was essentially vitiated, i.e. that the Working Party's plan to look at the draft programme budget including the figures prior to its submission to New York would not be appropriate. In other words, the Secretary-General of UNCTAD would only be able to consult on programmatic issues, as was currently the practice. Since this went to the heart of the matter, he wondered what would be the next steps. Did the UNCTAD secretariat consider that this was the final answer and that the Working party had been told that its attempt to review the draft programme budget and make comments on it prior to its submission to New York had failed ? In general, he felt it would be useful to have the views of the New York intergovernmental bodies on the draft and that there should be an opportunity for further consultation with capitals.

43. The representative of the United Kingdom noted that the Officer-in-Charge of UNCTAD had said that the communication from New York completed the consideration of this matter by the two secretariats. However, the communication did not reflect the views of CPC or ACABQ, and he felt that the Board needed to know those views. He therefore maintained his suggestion that the draft terms of reference be submitted to the intergovernmental bodies concerned for comment. Thereafter, if there were still problems - as appeared to be the case with articles 2 (a) (ii) and 2 (b) (iii) - the terms of reference would need to be referred back to the Working Party.

44. The representative of Japan supported the proposal by the United Kingdom that the Board should seek to obtain the views of the CPC and ACABQ. The recent informal meeting between members of the Working Party and members of the ACABQ had been very useful. In General, the ACABQ members had taken a positive attitude to the Working Party's initiative, which they supported on the following conditions: (i) the arrangement sought should be an internal arrangement in UNCTAD; (ii) the arrangement should not create a conflict with the attributes of the existing New York bodies, namely the Fifth Committee, CPC and ACABQ. As pointed out by the United Kingdom, the Board was not seeking something that would be in violation of the United Nations budget-formulating process. Neither was the Board undermining the competence or authority of the CPC or ACABQ. It was rather a matter of strengthening the linkage between the Working Party and the New York bodies.

45. The representative of France said that recent developments on this issue indicated that the Working Party's initiative raised a number of problems not

only for the United Nations Secretariat but also for the New York intergovernmental bodies. In view of these elements, he felt that the text of the draft terms of reference posed more problems than it solved. No doubt a dialogue with all the appropriate bodies was necessary in order to make it clear that the Working Party's initiative was set firmly in a concerted approach involving all the actors concerned. Nevertheless, he felt that it would be premature at this stage to proceed to submit the text of the draft terms of reference to any organ whatsoever. The States members of UNCTAD should take the time to consult further on this issue and to see how the remarks made informally by members of the ACABQ could be integrated into the Working Party's initiative, in order to arrive at a text that was more satisfying and legally more sound than the current draft, which was after all the outcome of informal consultations.

46. The representative of Hungary observed that, in the series of informal consultations of the Secretary-General of UNCTAD, the intergovernmental machinery in Geneva had already decided on the course of action on the draft terms of reference. Since that decision, however, the Board had received the official reaction of the United Nations Secretariat. Some delegations had also obtained an informal reaction from members of the ACABQ. These two events had created a new situation compared to the circumstances during the consultations. He therefore supported the proposal made by the representative of the United Kingdom.

47. The representative of Germany said that the view of his delegation - which he believed was the most widely shared view within the European Union - was that the Board should not endorse the draft terms of reference at this sixth executive session. As to the further procedure, he felt that the reaction received from New York in the communication should now be referred to the Working Party, rather than deciding at this stage to forward the draft terms of reference to other intergovernmental bodies in New York.

48. The representative of Australia said that, in view of the communication received from New York, the Board was not at this stage in a position to take a decision on the draft terms of reference for the Working Party. Those members of the Working Party who had been able to participate in the recent informal consultations with members of the ACABQ had gained the impression that, while the ACABQ members had some concerns on specific aspects of the draft, they recognized the need to establish clear terms of reference for the Working Party. In view of the considerable work done on the draft terms of reference by delegations, he hoped that the Officer-in-Charge of UNCTAD could convene further consultations in the light of the reaction from New York, with a view to concluding this matter in the near future. Finally, he expressed appreciation to the secretariat for its cooperation in facilitating the consultations on this matter.

49. The Officer-in-Charge of UNCTAD, responding to points raised, said that the UNCTAD secretariat's understanding of the word "programmatic" in the text of the communication was that it implied a procedure whereby the Secretary-General of UNCTAD could share with the Working Party his ideas on how to translate the intergovernmental mandates into programmes. He would then take into account the views of the Working Party in submitting a budget composed of programmatic and financial parts to the Secretary-General of the United Nations. That budget would not be disclosed to the Working Party. The United Nations

Secretary-General would decide on the budget for the whole Organization, including UNCTAD; and when that budget was available, both the programmatic and the financial information would be provided to the Working Party, which at that point would be able to make recommendations or suggestions to the intergovernmental bodies concerned in New York, namely the CPC, ACABQ and the Fifth Committee.

50. As for consultations with other organs of the United Nations, he drew attention to paragraph 23 of General Assembly resolution 1995 (XIX) which stated that the terms of reference of subsidiary bodies and other subsidiary organs established by the Board "shall be adopted after consultations with the appropriate organs of the United Nations and shall take fully into account the desirability of avoiding duplication and overlapping of responsibilities." If the Board so wished, the UNCTAD secretariat could serve as a conduit for such consultations with the appropriate organs in New York. He noted, however, the view expressed by the delegation of France that, before proceeding with consultations with outside bodies, further consultations should take place within the UNCTAD intergovernmental machinery in order to ascertain what the options were and which proposals would be put forward for consideration by other bodies.

51. The UNCTAD secretariat, for its part, stood ready to proceed along any of these lines, i.e. (i) further clarification from the Legal Counsel and the Department of Administration and Management as to the exact import of the text of their communication; (ii) consultations with other organs of the United Nations as foreseen in paragraph 23 of General Assembly resolution 1995 (XIX); or (iii) further consultations within UNCTAD.

Action by the Board

52. At the resumed 844th meeting, on 14 September 1994, the Trade and Development Board decided to postpone discussions on the draft terms of reference of the Working Party on the Medium-term Plan and the Programme Budget (TD/B/EX(6)/L.1) and to request the Officer-in-Charge of UNCTAD to consult on future procedures with a view to placing this item on the agenda of a future session of the Board.

V. PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL AND ADMINISTRATIVE MATTERS

A. Opening of the session

53. The sixth executive session of the Trade and Development Board was opened on 13 September 1994 by Mr. Al Sherif Fawaz Sharaf (Jordan), President of the Board during its current fortieth session.

B. Bureau of the Board

54. There being no change in the current Bureau of the Board, the officers serving at the sixth executive session were as follows:

President:	Mr. Al Sherif Fawaz Sharaf (Jordan)
Vice-Presidents:	Mr. Yuri Afanasiev (Russian Federation) Mr. A. Pinoargote Cevallos (Ecuador) Mr. Satish Chandra (India) Mr. Mohamed Ennaceur (Tunisia) Mr. Akio Ijuin (Japan) Mr. Ioannis Kinnas (Greece) Mr. Richard A. Pierce (Jamaica) Mr. Clarke Rodgers Jr. (United States of America) Mr. Ali Ahmed Sahloul (Sudan) Mr. Zdenek Venera (Czech Republic)
Rapporteur:	Mr. Marcel Van der Kolk (Netherlands).

C. Adoption of the agenda of the session

(Agenda item 1)

55. The Board adopted the provisional agenda for the sixth executive session as contained in section I of TD/B/EX(6)/1. (For the agenda, see annex I below).

D. Report of the sixth executive session of the Board

(Agenda item 6)

56. The Board authorized the Rapporteur, under the authority of the President, to prepare the report of the Board on its sixth executive session.

ANNEXES

Annex I

AGENDA FOR THE SIXTH EXECUTIVE SESSION OF THE TRADE AND DEVELOPMENT BOARD

1. Adoption of the agenda of the session

2. Policy review of technical cooperation in UNCTAD

3. Status of the European Community in the Special Committee on Preferences

4. Draft terms of reference of the Working Party on the Medium-term Plan and the Programme Budget

5. Other business

6. Report of the sixth executive session of the Board.

Annex II

MEMBERSHIP AND ATTENDANCE */

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria
Angola
Argentina
Australia
Austria
Bangladesh
Belgium
Bolivia
Brazil
Bulgaria
Burundi
Cameroon
Chile
China
Costa Rica
Cuba
Czech Republic
Democratic People's Republic of Korea
Denmark
Dominican Republic
Ecuador
El Salvador
Finland
France
Germany
Greece
Honduras
Hungary
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Italy
Jamaica
Japan
Jordan
Kenya
Libyan Arab Jamahiriya
Madagascar
Malaysia
Malta
Mexico
Mongolia
Morocco
Myanmar
Nepal
Netherlands
Nigeria
Norway
Pakistan
Panama
Paraguay
Peru
Poland
Portugal
Qatar
Republic of Korea
Romania
Russian Federation
Senegal
Slovakia
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Thailand
Trinidad and Tobago
Tunisie
Turkey
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Viet Nam
Zambia
Zimbabwe

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*/ For the list of participants, see TD/B/INF.7.

2. The International Trade Centre UNCTAD/GATT was represented at the session.

3. The following specialized and related agencies were represented at the session:

Food and Agriculture Organization of the United Nations
International Monetary Fund
United Nations Industrial Development Organization

The General Agreement on Tariffs and Trade was also represented.

4. The following intergovernmental organizations were represented at the session:

European Community
League of Arab States
Organization of African Unity

5. The following non-governmental organization was represented at the session:

General Category

World Federation of United Nations Associations

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